



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - Public distribution

**Date:** 4/8/2008

**GAIN Report Number:** PE8008

## Peru

## Exporter Guide

## Annual

## 2007

**Approved by:**

Eugene Philhower  
U. S. Embassy

**Prepared by:**

Alvaro Loza

---

**Report Highlights:**

Peru continues to be one of the most vibrant economies in Latin America today. The U.S. - Peru Trade Promotion Agreement (TPA) will offer duty preferences to U.S. exporters of high-value products such as meats, cheeses, snacks, fresh fruits, prepared fruits and vegetables, pet foods and food ingredients. This report summarizes key trade and market conditions to help U.S. importers make the most of the U.S. - Peru TPA opportunities.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Lima [PE1]  
[PE]

## Table of Contents

|   |                                      |
|---|--------------------------------------|
| Section I. Market Overview  | <a href="#"><u>Page 3 of 13</u></a>  |
| Section II. Exporter Business Tips                                    | <a href="#"><u>Page 4 of 13</u></a>  |
| Section III. Market Sector Structure and Trends                       | <a href="#"><u>Page 6 of 13</u></a>  |
| Section IV. Best High-Value Product Prospects                         | <a href="#"><u>Page 7 of 13</u></a>  |
| Section V. Key Contacts and Further Information                       | <a href="#"><u>Page 10 of 13</u></a> |
| Table A. Key Trade & Demographic Information                          |                                      |
| Table B. Consumer Food & Edible Fishery Product Imports               |                                      |
| Table C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products |                                      |

## Section I. Market Overview

Peru continues to be one of the most vibrant economies in Latin America today. Over the past decade, Peru has been transformed by market-oriented economic reforms and privatizations and has met many of the conditions for long-term growth. In 2006, Gross Domestic Product (GDP) reached \$93 billion, growing an estimated 7.6 percent. GDP growth was driven by construction, mining, foreign investment, domestic demand and exports. Do we have 2007 data?

| Domestic Economy                         | 2004  | 2005  | 2006  |
|--|-------|-------|-------|
| Nominal GDP (U.S. \$ billions)           | 67.0  | 78.4  | 93.0  |
| Real GDP Growth (%)                      | 5.1   | 6.7   | 7.6   |
| GDP per capita (nominal U.S. \$)         | 2,518 | 2,806 | 3,368 |
| Ave. annual exchange rate (new soles/\$) | 3.414 | 3.297 | 3.280 |
| Inflation (Dec. to Dec. %)               | 3.7   | 1.6   | 2.0   |
| Central Govt. Spending (% GDP)           | 16.2  | 16.5  | 16.0  |

Source: Central Reserve Bank of Peru, [www.bcrp.gob.pe](http://www.bcrp.gob.pe) (2004-2006)  
National Institute of Statistics, [www.inei.gob.pe](http://www.inei.gob.pe)

In 2006, total food sales were estimated at \$5.1 billion. Total consumer-oriented food imports reached \$378 million, growing 8.8 percent over 2005. According to Peru's Customs data, the United States was the third largest supplier (\$39 million), with 11 percent of market share and 31 percent of growth, facing stiff competition from Chile, Colombia and Argentina (26, 15 and 10 percent respectively). The retail sector accounts for approximately \$207 million of food imports.

U.S. exports to Peru in terms of total sales have traditionally been bulk commodities - wheat, coarse grains and cotton. In 2006, the total U.S. exports for agricultural, fish and forestry products (\$213 million) were almost the same as 2005 (\$216 million). Although wheat sales declined 77 percent in 2006, due to the international price, coarse grains showed a 115 percent increase. Also sales of U.S. consumer-oriented products increased by 75 percent while intermediate agricultural products grew by 40 percent.

The U.S. – Peru Trade Promotion Agreement (TPA), pending U.S. Congressional approval, should be implemented on January 1, 2008. The U.S. – Peru TPA will immediately provide duty free access for two-thirds of U.S. food and agricultural products, including high-quality beef, cotton, wheat, soybeans, soybean meal and crude soybean oil; key fruits and vegetables (including apples, pears, peaches, cherries and almonds); food ingredients and many processed food products including frozen french fries, cookies and snack foods. Tariffs on most remaining U.S. farm products will be phased out within 15 years, with all tariffs eliminated in 17 years.

Peru offers promising conditions for U.S. import products due to the expansion of supermarket and fast food chains, a growing trend for processed food consumption, future investments in the HRI sector and economic stability. However, major constraints are customer preferences for fresh food, limited purchasing power and tariff and non-tariff barriers.

Lima is the major market for consumer-oriented foods, with almost one third of Peru's total population and more than 60 percent of the national income. In 2006, high and middle-

income consumers, the main market for U.S. food sales, reached roughly 1.8 million inhabitants, with a monthly family income of \$1,120 on average. Middle-low income consumers account for 2.7 million people, and constitute an important source for future expansion. Unemployment in Lima has increased to 8.8 percent in 2006, from 8.5 percent in 2005.

### Advantages and Challenges Facing U.S. Products in Peru

| Advantages   | Challenges  |
|--|---|
| <ul style="list-style-type: none"> <li>➤ Upcoming U.S.- Peru TPA will grant duty free access to two-thirds of U.S. food and agricultural products.</li> <li>➤ Growing food processing and HRI sectors that will demand more food ingredients.</li> <li>➤ Open market for previously banned products (beef, offal, poultry, pork).</li> <li>➤ Proactive supermarket industry that will result in increased demand for high-value products.</li> <li>➤ Supermarkets and Fast food chains expanding in major cities.</li> <li>➤ Appreciation for U.S. food quality and culture.</li> <li>➤ Increased tourism creates new opportunities for food service development.</li> <li>➤ People are becoming aware of diet, lite and healthy food products through media.</li> </ul> | <ul style="list-style-type: none"> <li>➤ Peru is negotiating trade agreements with other countries, which could lessen competitive advantage of the U.S.</li> <li>➤ Consumer habits, Peruvians prefer meals based on fresh products and spicy seasonings.</li> <li>➤ Lack of brand awareness among consumers.</li> <li>➤ New local food brands appearing in the market at very low prices.</li> <li>➤ Relatively small market due to limited purchasing power; 76 percent of Peruvian population are low-income consumers.</li> <li>➤ Government campaign called "Buy Peruvian" to encourage purchase of local products.</li> <li>➤ Smuggling.</li> </ul> |

### Section II. Exporter Business Tips

- ❑ Two-thirds of U.S. food and agricultural products will be exported to Peru duty free immediately. The complete list of products that will benefit from the U.S. – Peru TPA can be found at:

[http://www.ustr.gov/Trade\\_Agreements/Bilateral/Peru\\_TPA/Section\\_Index.html](http://www.ustr.gov/Trade_Agreements/Bilateral/Peru_TPA/Section_Index.html)

- ❑ Imported food products have tariff rates that range between 12 and 25 percent. These tariffs will decrease or be eliminated as soon as the U.S.- Peru TPA is implemented.
- ❑ All imports are subject to a 19 percent local sales tax. Wine and liquors are assessed an additional selective consumer tax (ISC) of 20 percent; water and sodas, 17 percent and beer, 27.8 percent.

- ❑ For further information on food standards and regulations, labeling and import procedures please refer to our latest Food and Agricultural Import Regulation and Standards Report PE7012.

- ❑ **Food standards and regulations**

Sanitary inspection, food registration, packaging and control regulations for food and beverages are included in the Supreme Decree No. 007-98-SA of September 25, 1998. The General Environmental Health Bureau (DIGESA), within the Ministry of Health, is the Peruvian counterpart to the Food and Drug Administration (FDA) regarding sanitary supervision and registration of food and beverages. The National Agricultural Sanitary and Phytosanitary Service (SENASA), part of the Ministry of Agriculture, is the local counterpart to the U.S. Department of Agriculture (USDA) concerning the development of sanitary and phytosanitary regulations and the inspection of animal and plant origin products. The National Institute for the Defense of Competition and for the Protection of Intellectual Property (INDECOPI) is the agency in charge of labeling standards, labeling control and trademarks.

- ❑ **General import and inspection procedures**

In order to clear Customs (SUNAT) imports must have a Unique Customs Declaration (DUA), a commercial invoice, an airway bill or bill of lading, a packing list, an insurance letter and a food sanitary registry for food processed products from DIGESA or a health certificate for animals, plants or their by-products complying with SENASA's import requirements.

Once the customs agent transmits the DUA electronically, SUNAT will determine the type of control for the merchandise within the following channels: green, orange and red. Channel green permits delivery of the product once duties are paid; channel orange requires review of the documentation and channel red requires review of the documentation and physical inspection.

- ❑ **Food and beverage sanitary registration**

The importer needs to submit a sworn application to DIGESA (available at [www.digesa.sld.pe](http://www.digesa.sld.pe)) accompanied by a certificate of free trade and use, the future label and the registration receipt (\$70 approximately). If the certificate is not available, the importer should present a document issued by the Peruvian Consulate in the country of origin. The sworn application includes the contact information of the importer's company and the manufacturer, his taxpayer identification (R.U.C.), the list of products requested and the content, results of physical-chemical and microbiological analysis, lot code system, expiration date, packing material and storage conditions for each product.

This procedure will take no more than seven working days. The Sanitary Registration will be valid for five years from the date of issue and may be renewed between seven and sixty working days before the expiration date.

#### ❑ **Certificates for animals, plants and their by-products**

Before the product is shipped, the importer must request an import permit from SENASA. The exporter must provide to the importer the corresponding official health certificate of the country of origin, including the specific certification requirements of SENASA.

USDA agencies that issue health certificates for Peru are the Animal and Plant Health Inspection Service (APHIS) for animals and plants and their derived products, the Food Safety and Inspection Service (FSIS) for meats and their by-products, and the Agricultural Marketing Service (AMS) for U.S. dairy products.

#### ❑ **Labeling requirements**

Imported packaged foods must carry a separate adhesive label before reaching the point of sale, with a Spanish translation of the label including the importer/distributor's contact information and R.U.C. Law 28405 of November 30, 2004 requires labeling for value-added products other than foods (which could be included in the future). Imported value-added products that do not comply with the provisions of this law must be properly labeled in private storage for customs clearance.

### **Section III. Market Sector Structure and Trends**

- In order to enter the Peruvian food market, U.S. exporters should contact local food processing companies and importers/wholesalers/distributors directly or indirectly through brokers, agents or representatives.
- Regardless of which strategy is chosen, personal visits are highly recommended. The local partner should be well known by the U.S. Company before any permanent contractual arrangement is made.
- The local partner should be able to provide updated information on market consumer trends, current market development (merchandising, point of sales and promotion activities) and trade business practices.

#### ❑ **Food Service Sector**

In 2006, total food service sales accounted for approximately \$190 million, considering only the formal sector. More than 60 percent of this amount corresponded to high-end food service. Growth remains steady at five percent in the last three years. In 2005, total food service imports were estimated at \$68 million, 36 percent of total food service sales.

The niche market for U.S. exporters in this sector includes high-end hotels and restaurants, family style restaurants, fast food chains and coffee shops. Fast food chains present the fastest annual growth at approximately 8 percent over the last five years. The main international food franchises represented in Peru are KFC, McDonalds, Pizza Hut, Chili's, Domino's Pizza and Burger King. The local owned Bembos leads the fast food sales with half of the hamburger market (\$16 million).

International tourist arrivals have grown 7 percent annually in the last five years. In 2006, receptive tourism reached \$1.6 billion. In addition, a little over two million local tourists traveled within the country, creating demand for food services. Along with

tourism growth, new investments in lodging of the international hotel chains NH Hotels, Ritz Carlton, Four Seasons, Renaissance, Hyatt, Amman and Explora are expected.

Food service products that will benefit from the U.S. – Peru TPA with lower or duty free tariffs include food ingredients, fruits, cheeses, processed fruits and vegetables, meats and specialties.

#### ❑ **Food Processing Sector**

In 2006, total sales by Peru's major food processing representatives reached approximately \$3.6 billion, while the food processing sector grew steadily at 7 percent over the last five years.

Food processors are concentrated in 90 companies, which represent 80 percent of total sales. Local food-processing companies include Alicorp (dairy, snacks, food ingredients, sauces, and pasta), Gloria and Laive (dairy products), San Fernando and Avinka (poultry meat and by-products), Industrias Añaños (sodas), Montana (food ingredients) and Destilería Peruana (alcoholic beverages).

Major prospects for the U.S. in the food processing sector include food ingredients for the dairy, flavorings and baked goods industry.

#### ❑ **Food Retail Sector**

In 2006, the total food retail market was \$5.1 billion, of which 80 percent was concentrated in Lima. Supermarket chains reached \$1.2 billion in food sales, growing 9 percent from the previous year. They represent 24 percent of the market share in Lima and 20 percent nationwide.

Wong and Supermercados Peruanos are the two major supermarket chains. Tottus Hypermarkets is the newest one. Wong and Supermercados Peruanos still comprise a high percentage of Peruvian retail sectors, almost 60 percent (according to Apoyo Consulting Group).

Supermarkets are not only expanding quickly to peripheral areas around Lima, but throughout the country too, penetrating markets like La Libertad and Lambayeque, offering significant potential for increased sales. These fast growing areas are comprised of low-income families, mostly concerned about price, and quite indifferent to brand names and quality concerns.

Wong and Supermercados Peruanos are also developing strategies to keep their position in the high-end sector by renovating and re-opening existing high-end stores. Wong modernized its logo and is selling their customers the idea of better service with fair prices. Supermercados Peruanos is gradually re-opening its existing "Santa Isabel" stores offering a different brand and a more modern layout with supermarkets called "Vivanda" and hypermarkets called "Plaza Veá".

The target market for supermarkets in Lima is divided into two groups: high and middle-income families with an average income per month of \$1,000 and around 1.6 million inhabitants, and low-income families whose average income per month is \$250 representing around 6.3 million inhabitants.

Seven percent of the consumer-oriented products sold in supermarkets are imported. Although they are particularly sensitive to economic conditions, there is potential for U.S. food exports in snacks, fruit and vegetable juices, fresh fruits (especially pears, apples and grapes), canned fruits and vegetables, dairy products (especially cheeses), wines and liquors and pet foods.

#### Section IV. Best High-Value Product Prospects

- ❑ Peru gives tariff preferences to the Andean Community (Bolivia, Colombia and Ecuador), and to Mexico, Paraguay, Argentina, Brazil, Uruguay and Cuba.
- ❑ Peru has begun conversations with China and Canada seeking for a Free Trade Agreement with both countries. Peru has also signed other international agreements, such as an Economic Complementation Agreement (ECA) with Chile, MERCOSUR and Mexico. MERCOSUR is a major U.S. competitor in bulk commodities and meats. Peru is also negotiating a free trade agreement with Thailand.
- ❑ Neighboring countries, and especially Chile, Colombia, Argentina, Brazil and Mexico are major food exporters to Peru, with Chile y Colombia being the two most important exporters in 2006
- ❑ The U.S. – Peru TPA will reinforce U.S. competitiveness within the Peruvian market. The quality of U.S. products is already appreciated among the high-end consumers.

| Product Category                  | Market Size 2007 est.   | Imports 2007 est.           | 2003-2007<br>Avg. Annual Import Growth | Import Tariff Rate | Key Constraints over Market Development                                  | Market Attractiveness for the U.S.   |
|-----------------------------------|---|-----------------------------|--|--------------------|--|--|
| Other food preparations (HS 2106) | N/A   | 13,900 MT<br>(\$80 million) | 12.6% (slowing down)                   | 9%                 | - Major competitors are neighbors: Chile (31%) and Colombia (24%).       | - Access under TPA: duty free.<br>- U.S. is the third supplier with 15.5% of market share.<br>- The market (food service and food processing sectors) is open to new products such as protein concentrates and preparations for beverages. |
| Snack foods                       | \$43 million* (extruded and fried, confectionary is not included) | 27,000 MT<br>(\$45 million) | 8.0% (slowing down)                    | 17%                | - Major suppliers are Colombia (34%), Ecuador (19%) and Argentina (13%). | - Access under TPA: duty free for major U.S. exports (confectionary, cookies, prepared potatoes); other products will enter 3 to 5 years linear.<br>- Market with potential growth in HRI and Retail.<br>- U.S. quality is appreciated.    |

| Product Category                 | Market Size 2007 est.                                  | Imports 2007 est.                   | 2003-2007 Avg. Annual Import Growth | Import Tariff Rate   | Key Constraints over Market Development   | Market Attractiveness for the U.S.   |
|----------------------------------|--|-------------------------------------|-------------------------------------|--|---|--|
| Fruits and vegetables processed  | N/A  | 46,000 TM<br>(\$46 million)         | 11.4% (growing)                     | 17% and 9% (HS 1105 - 1108, 1903, 0714, 2103, 2104)        | - Chile is the major competitor (45%) due to low prices.<br>- Germany and the U.S. account for 10% each.  | - Access under TPA: duty free for major U.S. exports (French frozen fries, soups and their preparations, mayonnaise); other products will enter 3 to 5 years linear.<br>- Consumer preferences especially for U.S. soups and sauces.<br>- U.S. exports are expected to grow 30% in 2006.   |
| Red Meats fresh, chilled, frozen | 167,000 MT<br>(\$12.8 million)                         | 25,200 TM<br>(\$33 million)         | 6% (slowing down)                   | 20% (HS 201, 202)<br>17% (HS 203, 204)<br>9% (HS 205, 206) | - Major suppliers are big beef producers for the region: Argentina (27%), Paraguay (24%) and Brazil (20%) .   | - Access under TPA: duty free for prime beef, duty free for a quota of 800 TM for standard quality beef and 10,000 TM for beef offals.   |
| Fresh fruits                     | 3,900 MT   | 37,000 MT<br>(\$25 million)         | 9% (slowing down)                   | 17%  | - Chilean imports come duty free.<br>- Chile keeps 98% of imports and the U.S. 2%.  | - U.S. exports in a window different from Chile.<br>- U.S. pears and recently grapes are imported for the high-end market.   |
| Wine and Beer                    | 15 million liters (wine)<br>1000 million liters (beer) | 11 million liters<br>(\$21 million) | 13.6% (growing)                     | 9%   | - Major exporters of wine are Argentina (37%) and Chile (36%) and of beer is Brazil (77%).<br>- Strong promotions from competitors.<br>- Only regular wine consumers recognize U.S. wine quality. | - Access under TPA: duty free for beer and five years linear for wine.<br>- There is a niche market for quality wines on which the U.S. can be appreciated and price competitive according to future benefits from the TPA.<br>- Post promotes U.S. wines taking advantage of the growing market for cheeses targeting the high-end sector.<br>- Per capita annual wine consumption is growing, 1 liter for wine and 30 liters for beer. |
| Pet foods                        | 40,000 MT  | 22,000 MT<br>(\$23 million)         | 12.5%                               | 0%   | - Growing local pet industry.<br>- There is an informal industry arising.   | - Access under TPA: duty free, or 5 years linear for canned pet food.  |
| Poultry meat                     | \$1,200 million  | 11,000 MT<br>(\$10 million)         | 28% (Rising)                        | 17%  | - Strong local poultry industry, imports are mainly poultry offals.   | - Access under TPA: quota of 12,000 MT for chicken leg quarters, two years linear for mechanically de-boned chicken meat and five years linear for poultry offals.<br>- Peruvians are major consumers of poultry.  |

| Product Category           | Market Size 2007 est.      | Imports 2007.                 | 2003-2007<br><br>Avg. Annual Import Growth | Import Tariff Rate | Key Constraints over Market Development   | Market Attractiveness for the U.S.  |
|----------------------------|----------------------------|-------------------------------|--|--------------------|---|---|
| Whey (HS 0404)             | 7,800 MT<br>(\$13 million) | 7,800 MT<br>(\$13 million)    | 60% (growing)                              | 17%                | - Major competitors are France (18%) and Chile (23%), which is growing market share.<br>- Included in price band. | - U.S. is the major supplier with 33% of market share.<br>- Growing market: multiple uses in the food industry. |
| Food Preparation (HS 1904) | N/A                        | 25,600 MT<br>(\$14.5 million) | 41% (growing)                              | 17%                | - Major competitors are Chile (74%) and Venezuela (11%).<br>- The U.S. 7% of the market share                     | - Access under TPA: duty free (HS190410)<br>- 5 years liner HS 190490.  |

## Section V. Key Contacts and Further Information

If you have any question or comments regarding this report or need assistance exporting to Peru, please contact the Foreign Agricultural Service in Lima at the following address:

U.S. Embassy Lima, Foreign Agricultural Service (FAS)  
Mailing Address: Office of Agricultural Affairs, Unit 3785, APO AA 34031  
Address: Av. La Encalada cdra. 17, Monterrico, Lima 33  
Phone: (511) 434-3042  
Fax: (511) 434-3043  
E-mail: [Aglima@usda.gov](mailto:Aglima@usda.gov)

For further information, check the FAS web site [www.fas.usda.gov](http://www.fas.usda.gov) or our web site [www.usdaperu.org.pe](http://www.usdaperu.org.pe). Please, also refer to our other current food market related reports: Food Processing Ingredients Sector, Retail Food Sector and HRI Food Service Sector and Food and Agricultural Import Regulations and Standards (FAIRS) and FAIRS Export Certificate reports.

### Trade Associations

*American Chamber of Commerce of Peru (AMCHAM)*  
Executive Director: Aldo Defilippi  
Address: Av. Ricardo Palma 836, Miraflores - Lima 18  
Phone: (511) 705-8000  
Fax: (511) 241-0709  
Web site: [www.amcham.org.pe](http://www.amcham.org.pe)  
E-mail: [amcham@amcham.org.pe](mailto:amcham@amcham.org.pe)

*National Society of Industries (SNI)*  
President: Eduardo Farah  
Address: Los Laureles 365, San Isidro - Lima 27  
Phone: (511) 616-4444  
Fax: (511) 616-4433  
Web site: [www.sni.org.pe](http://www.sni.org.pe)

*Hotel and Restaurant Association (AHORA)*

President: Adolfo Perret  
Address: Av. Benavides 881, Lima 18  
Phone: (511) 444-7825  
Fax: (511) 444-4303  
E-mail: [ahora@infonegocio.net.pe](mailto:ahora@infonegocio.net.pe)

**Ministries and Government Agencies***Ministry of Agriculture (MINAG)*

Minister: Eng. Ismael Benavides Ferreyros  
Address: Av. La Universidad N° 200 – La Molina  
Phone: (511) 349-6755  
Fax: (511) 349-6295  
Web site: [www.minag.gob.pe](http://www.minag.gob.pe)

*The National Agricultural Sanitary and Phytosanitary Service (SENASA)*

Director: Dr. Oscar Dominguez  
Address: Av. La Molina 1915 – Lima 12  
Phone: (511) 313-3300  
Fax: (511) 340-1486  
Web site: [www.senasa.gob.pe](http://www.senasa.gob.pe)

*General Environmental Health Bureau (DIGESA)*

General Director: Dr. Fabiola Martha Capurro  
Address: Las Amapolas 350, Urbanizacion San Eugenio - Lima 14  
Phone: (511) 442-8353 /442-8356  
Fax: (511) 422-6404  
Web site: [www.digesa.minsa.gob.pe](http://www.digesa.minsa.gob.pe)

*Customs (SUNAT)*

Superintendent: Dr. Nahil Hirsh  
Address: Av. Garcilazo de la Vega 1472 – Lima 1  
Phone: (511) 315-3300  
Fax: (511)315-3318  
Web site: [www.aduanet.gob.pe](http://www.aduanet.gob.pe)

*National Institute for the Defense of Competition and for the Protection of the Intellectual Property (INDECOPI)*

President: Mr. Jaime Thorne  
Address: Calle de la Prosa 138 - San Borja  
Phone: (511) 224-7800  
Fax: (511) 224-0348  
Web site: [www.indecopi.gob.pe](http://www.indecopi.gob.pe)

|                               |
|-------------------------------|
| <b>APPENDIX 1. STATISTICS</b> |
|-------------------------------|

**TABLE A. Key Trade & Demographic Information (2006)**

|   |                |
|---|----------------|
| Agricultural Imports From All Countries (\$million)/ U.S. Market Share (%) <sup>1/</sup>    | 1,713 / 12     |
| Consumer Food Imports From All Countries (\$ million)/ U.S. Market Share (%) <sup>1/</sup>  | 378 / 10       |
| Edible Fishery Imports From All Countries (\$ million)/ U.S. Market Share (%) <sup>1/</sup> | 29 / 0.7       |
| Total Population (Millions) / Annual Growth Rate (%) <sup>2/</sup>                          | 28 / 1.7       |
| Urban Population (Millions) / Annual Growth Rate (%) <sup>2/</sup>                          | 20.5 / 2.0     |
| Number of Major Metropolitan Areas <sup>2/ 3/</sup>   | 1              |
| Size of the High-Middle Class (Millions) / Growth Rate (%) <sup>4/</sup>                    | 2 / 3%         |
| Per Capita Gross Domestic Product (U.S. Dollars) –2006 <sup>2/</sup>                        | 3,368          |
| Unemployment Rate – 2003 (%) <sup>5/</sup>  | 8.8            |
| Per Capita Food Expenditures (U.S. Dollars) <sup>6/</sup>                                   | 136            |
| Percent of Females of Working Age <sup>2/ 7/</sup>  | 51.1           |
| Exchange Rate (US\$1 = X.X local currency) <sup>6/</sup>                                    | \$1 = S/. 3.15 |

<sup>1/</sup> Source: Peru's Customs 2005.

<sup>2/</sup> Source: Central Reserve Bank of Peru, [www.bcrp.gob.pe](http://www.bcrp.gob.pe).

<sup>3/</sup> Lima is the main city with 8.1 million inhabitants and 1.76% of annual growth. There are four other cities, Arequipa, Trujillo, Chiclayo and Piura, with more than 600,000 inhabitants.

<sup>4/</sup> Source: "Peru 2003, Social Economical Levels". Apoyo consultancy.

There are five social-economical levels in Peru of which A and B constitute the high-middle class. Family income in Lima raised 10% in 2005.

<sup>5/</sup> Total Population in age of working (15 years or above) is estimated in 13.4 million. However, underemployment is 46 percent.

<sup>6/</sup> High and middle class consumers expend on food \$290 per month.

<sup>7/</sup> Women constitute seven million or 43 percent of the population in age of working. Eight percent of this amount is unemployed and 50 percent is underemployed.

<sup>8/</sup> Exchange rate as of September 2005. Local currency is the Sol.

TABLE B. CONSUMER FOOD &amp; EDIBLE FISHERY PRODUCT IMPORTS

| Peru Imports<br>(In Millions of Dollars)       | Imports From the World |       |       | Imports from de U.S. |      |      | U.S. Market Share |      |      |
|--|------------------------|-------|-------|----------------------|------|------|-------------------|------|------|
|  | 2004                   | 2005  | 2006  | 2004                 | 2005 | 2006 | 2004              | 2005 | 2006 |
| <b>CONSUMER-ORIENTED AGRICULTURAL TOTAL</b>    | 290                    | 339   | 378   | 27                   | 30   | 39   | 9                 | 9    | 10   |
| Snack Foods (Excl. Nuts)                       | 29                     | 35    | 39    | 2                    | 2    | 3    | 8                 | 7    | 7    |
| Breakfast Cereals & Pancake Mix                | 1                      | 2     | 5     | 0                    | 0    | 0    | 20                | 14   | 8    |
| Red Meats, Fresh/Chilled/Frozen                | 25                     | 28    | 28    | 0                    | 0    | 2    | 0                 | 0    | 7    |
| Red Meats, Prepared/Preserved                  | 2                      | 2     | 3     | 0                    | 0    | 0    | 4                 | 4    | 4    |
| Poultry Meat                                   | 4                      | 6     | 7     | 0                    | 0    | 0    | 4                 | 0    | 2    |
| Dairy Products (Excl. Cheese)                  | 38                     | 54    | 50    | 2                    | 3    | 5    | 6                 | 6    | 9    |
| Cheese   | 6                      | 6     | 6     | 2                    | 2    | 2    | 25                | 30   | 31   |
| Eggs & Products                                | 1                      | 2     | 1     | 0                    | 0    | 0    | 1                 | 1    | 29   |
| Fresh Fruit                                    | 19                     | 20    | 21    | 1                    | 0    | 0    | 3                 | 2    | 2    |
| Fresh Vegetables                               | 0                      | 0     | 0     | 0                    | 0    | 0    | 19                | 2    | 0    |
| Processed Fruit & Vegetables                   | 34                     | 38    | 40    | 3                    | 3    | 4    | 10                | 9    | 9    |
| Fruit & Vegetable Juices                       | 1                      | 1     | 1     | 0                    | 0    | 0    | 47                | 42   | 40   |
| Tree Nuts                                      | 1                      | 2     | 2     | 0                    | 0    | 0    | 32                | 17   | 22   |
| Wine & Beer                                    | 13                     | 18    | 18    | 1                    | 1    | 0    | 4                 | 3    | 2    |
| Nursery Products & Cut Flowers                 | 1                      | 1     | 1     | 0                    | 0    | 0    | 1                 | 17   | 16   |
| Pet Foods (Dog & Cat Food)                     | 5                      | 6     | 22    | 1                    | 1    | 6    | 15                | 17   | 30   |
| Other Consumer-Oriented Products               | 108                    | 117   | 133   | 14                   | 16   | 15   | 13                | 14   | 11   |
| <b>FISH &amp; SEAFOOD PRODUCTS</b>             | 27                     | 47    | 29    | 0                    | 0    | 0    | 1                 | 0    | 1    |
| Salmon   | 0                      | 0     | 1     | 0                    | 0    | 0    | 0                 | 0    | 0    |
| Surimi   | 0                      | 0     | 0     | 0                    | 0    | 0    | 0                 | 0    | 0    |
| Crustaceans                                    | 1                      | 1     | 2     | 0                    | 0    | 0    | 0                 | 0    | 0    |
| Groundfish & Flatfish                          | 12                     | 24    | 10    | 0                    | 0    | 0    | 0                 | 0    | 0    |
| Molluscs                                       | 1                      | 2     | 2     | 0                    | 0    | 0    | 0                 | 0    | 0    |
| Other Fishery Products                         | 13                     | 20    | 14    | 0                    | 0    | 0    | 2                 | 1    | 1    |
| <b>AGRICULTURAL PRODUCTS TOTAL</b>             | 1,218                  | 1,420 | 1,606 | 303                  | 213  | 209  | 25                | 15   | 13   |
| <b>AGRICULTURAL, FISH &amp; FORESTRY TOTAL</b> | 1,290                  | 1,504 | 1,716 | 310                  | 216  | 212  | 24                | 14   | 12   |

Source: World Trade Atlas (2006)

TABLE C. TOP 15 SUPPLIERS OF CONSUMER FOODS &amp; EDIBLE FISHERY PRODUCTS

## Peru - Top 15 Suppliers

## CONSUMER - ORIENTED AGRICULTURAL IMPORTS

|                      | \$1,000 | 2004           | 2005           | 2006           |
|----------------------|---------|----------------|----------------|----------------|
| Chile                |         | 81,800         | 89,320         | 102,409        |
| Colombia             |         | 33,110         | 44,790         | 53,587         |
| <b>United States</b> |         | <b>25,527</b>  | <b>29,864</b>  | <b>39,084</b>  |
| Argentina            |         | 34,112         | 39,588         | 38,351         |
| Brazil               |         | 18,078         | 23,442         | 22,023         |
| Mexico               |         | 15,184         | 15,758         | 15,627         |
| Ecuador              |         | 6,878          | 9,425          | 13,209         |
| Netherlands          |         | 6,024          | 8,486          | 8,539          |
| Paraguay             |         | 3,069          | 5,386          | 6,730          |
| Bolivia              |         | 2,624          | 4,086          | 6,590          |
| New Zealand          |         | 10,913         | 9,942          | 6,479          |
| Germany              |         | 2,710          | 3,044          | 6,199          |
| China                |         | 3,132          | 4,686          | 5,902          |
| Ireland              |         | 2,639          | 5,831          | 5,801          |
| Denmark              |         | 4,070          | 3,779          | 5,383          |
| Others               |         | 40,160         | 41,920         | 42,050         |
| <b>World</b>         |         | <b>290,028</b> | <b>339,346</b> | <b>377,963</b> |

Source: World Trade Atlas (2004 – 2006)

## FISH &amp; SEAFOOD PRODUCTS

|                      | \$1,000 | 2004          | 2005          | 2006          |
|----------------------|---------|---------------|---------------|---------------|
| Ecuador              |         | 8,956         | 12,916        | 14,988        |
| Chile                |         | 14,599        | 30,722        | 10,549        |
| Japan                |         | 1,687         | 1,660         | 1,617         |
| China                |         | 214           | 338           | 359           |
| Spain                |         | 195           | 229           | 344           |
| Panama               |         | 259           | 254           | 329           |
| International Waters |         | 2             | 80            | 173           |
| Taiwan               |         | 237           | 235           | 158           |
| Mexico               |         | 0             | 78            | 152           |
| Portugal             |         | 15            | 14            | 132           |
| Uruguay              |         | 201           | 9             | 103           |
| Bolivia              |         | 0             | 0             | 73            |
| Canada               |         | 12            | 0             | 61            |
| <b>Argentina</b>     |         | <b>140</b>    | <b>137</b>    | <b>30</b>     |
| <b>United States</b> |         | <b>211</b>    | <b>196</b>    | <b>28</b>     |
| Others               |         | 433           | 113           | 90            |
| <b>World</b>         |         | <b>27,161</b> | <b>46,985</b> | <b>29,169</b> |